

VZCZCXR06475
OO RUEHB1 RUEHCI
DE RUEHKKA #1604/01 2771037
ZNY CCCCC ZZH
O 041037Z OCT 07
FM AMEMBASSY DHAKA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5235
INFO RUCPDOC/DEPT OF COMMERCE WASHINGTON DC IMMEDIATE
RUEHC/DEPT OF LABOR WASHDC IMMEDIATE
RUEHBK/AMEMBASSY BANGKOK 8205
RUEHBJ/AMEMBASSY BEIJING 0649
RUEHLM/AMEMBASSY COLOMBO 8116
RUEHGT/AMEMBASSY GUATEMALA 0027
RUEHHI/AMEMBASSY HANOI 0138
RUEHIL/AMEMBASSY ISLAMABAD 1849
RUEHJA/AMEMBASSY JAKARTA 0224
RUEHKT/AMEMBASSY KATHMANDU 9307
RUEHKL/AMEMBASSY KUALA LUMPUR 0294
RUEHLO/AMEMBASSY LONDON 1747
RUEHML/AMEMBASSY MANILA 1457
RUEHNE/AMEMBASSY NEW DELHI 0213
RUEHOT/AMEMBASSY OTTAWA 0710
RUEHSN/AMEMBASSY SAN SALVADOR 0115
RUEHUL/AMEMBASSY SEOUL 0298
RUEHCG/AMCONSUL CHENNAI 0928
RUEHCI/AMCONSUL KOLKATA 0942
RUEHBI/AMCONSUL MUMBAI 0263
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 04 DHAKA 001604

SIPDIS

SIPDIS

PASS TO USTR: CLAUDIO LILIENFELD, MARIDETH SANDLER, ADINA ADLER, DARLA BROWN

E.O. 12958: DECL: 10/04/2017

TAGS: [ELAB](#) [ETRD](#) [EFIS](#) [EIND](#) [EAID](#) [PREL](#) [SOCI](#) [KTEX](#) [KWMN](#)

BG

SUBJECT: BANGLADESH: LABOR-GSP PETITION -- STAKEHOLDER VIEWS

REF: A) DHAKA 01552 B) 06 DHAKA 06636

Classified By: CDA a.i. Geeta Pasi for reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: Government, labor, and manufacturing representatives are preparing for a Washington review of Bangladesh's labor rights regime following a petition to suspend Bangladesh's access to the Generalized System of Preferences (GSP) submitted by the American Federation of Labor (Congress of Industrial Organizations (AFL-CIO) to the U.S. Trade Representative (USTR). During recent meetings with the Embassy in advance of an October 4 USTR hearing on the petition, each group highlighted its respective efforts and cast blame on other groups for lack of progress. Both government and manufacturer representatives admitted there are areas for improvement on labor rights and compliance with the law. Reactions to the GSP petition highlight the lack of trust between the key labor stakeholder groups in Bangladesh and the absence of institutionalized mechanisms to facilitate labor negotiations and compromises. The current political context in Bangladesh of a Caretaker Government and state of emergency complicates the ability to make progress on key areas of labor rights, including the right of association. There is clearly a need for more dialogue among Bangladesh's labor stakeholders.
END SUMMARY.

LABOR GROUPS: CONFRONTATIONAL ADVOCACY

¶2. (C) David Welsh, Country Program Director of the USG-funded American Center for International Labor Solidarity (ACILS) contributed many of the factual elements of the

AFL-CIO's GSP petition in collaboration with other Bangladesh labor groups. The petition alleges violations in Bangladesh's Export Processing Zones (EPZs), the ready made garment (RMG) industry, and the fish and seafood processing industry. Additionally, the AFL-CIO's petition alleges that unions, workers and worker-rights NGOs are harassed by the Government of Bangladesh's security forces. Welsh dismissed differing statistics regarding labor law compliance that have been provided by manufacturer representatives. (NOTE: ACILS receives approximately \$500,000 a year in a grant from the USG. ACILS works with selected labor groups that they judge to be representative of worker interests: this excludes labor groups with direct linkages to political parties, or quasi-criminal labor bosses who use unions for their personal enrichment. END NOTE)

¶3. (SBU) In the buildup to the hearing on the petition, media reports quoted unnamed garment manufacturers who blame ACILS for instigating the possibility of Bangladesh losing GSP status and for inciting worker unrest. During a recent meeting between government, labor and industry representatives, Bangladeshi labor leaders passionately expressed their displeasure at being characterized as fomenting violence, and spoke angrily about labor leaders being questioned and monitored by the government's security forces. One labor leader observed that ACILS and the groups it assists explicitly reject violence and unrest. This labor leader stated that the factory owners contribute to the problem of worker violence by not negotiating with legitimate, peaceful workers, groups and by choosing to negotiate on an ad hoc basis with groups that use unrest to press their demands.

DHAKA 00001604 002 OF 004

GOVERNMENT: GOOD INTENTIONS AND FAILED EFFORTS

=====

¶4. (C) The Bangladesh Export Processing Zones Authority (BEPZA) is the government organization that administers the eight export processing zones (EPZs) in operation in Bangladesh. BEPZA's Executive Director is Brigadier General Ashraf Abdullah Yussuf. Appointed in June of 2006 following major unrest in the EPZs, Yussuf works in uniform but is surrounded by layers of traditional bureaucrats. Yussuf emphasized his personal interest in finding ways to accommodate labor groups and better address worker issues and needs. ACILS, Welsh and other labor leaders have expressed faith in Yussuf's intentions, but fear he is too removed from the realities of EPZs and surrounded by subordinates who do not share his commitment to labor rights. Yussuf spoke kindly of EPZ workers and emphasized that their simple, uneducated status made them vulnerable to being misled and manipulated by outside miscreants, including foreign interests. When pressed about the sources of outside influence, Yussuf could only speculate in broad terms. His deputies asserted that NGOs were behind labor unrest.

¶5. (SBU) Brigadier General Yussuf conceded that some employers were not complying with EPZ schedules for minimum wage payments, but he maintained that BEPZA has made progress on this issue. He also cited as accomplishments increased payments into employee retirement funds and increased fees paid to terminated workers. Yussuf gave examples of the formation of certain Workers Representation and Welfare Committees (WRWCs) and the organizing of Workers Associations (WA) as indicative of the general freedom of worker association in the EPZs.

¶6. (C) Brigadier General Yussuf said he was disappointed at the overall characterization of BEPZA in the AFL-CIO report. He noted that specific points of progress he personally negotiated with ACILS were characterized in negative ways or not mentioned in the petition. He criticized ACILS for insinuating itself inappropriately into specific roles and functions that should be performed by BEPZA or the factories

themselves. For example, he noted as inappropriate ACILS, role in collecting Worker Association forms on behalf of workers for delivery to BEPZA (because of worker fears the factories were not passing the forms onto BEPZA). What ACILS viewed as a supporting or service function to workers, BEPZA viewed as a violation of the regulations that structure labor organization as a relationship in prescribed form between workers and employers, both located under the authority of BEPZA.

¶ 7. (C) When questioned about the harassment of labor organizers and groups by security forces, Brigadier General Yussuf emphasized that he never employed security forces for such actions, and that he only called security forces to quell active riots, which needed to be controlled for the safety of workers and factory owners. He conceded it was possible that security forces were monitoring workers based on orders coming from somewhere other than BEPZA.

MANUFACTURERS: PRAGMATIC YET DISTRUSTFUL
=====

¶ 8. (C) The most sophisticated labor stakeholders in

DHAKA 00001604 003 OF 004

Bangladesh are the factory owners, industrialists and investors. They approach the GSP issue with a clear understanding of the stakes involved. They understand that the U.S. GSP does not apply to their garment exports, and they appreciate that the larger issue of workers rights in the GSP review is a public-relations liability that may be seized upon by their customers, especially since many of the violations alleged in the AFL-CIO petition relate to the garments export sector.

¶ 9. (C) In meetings with Bangladesh Garment Manufacturers & Exporters Association (BGMEA), it was clear that they have resources to address the AFL-CIO's claims. Notably, the DC lobbying firm of Sorini, Samet & Associates that has been retained for several years by BGMEA was made available to assist the Government of Bangladesh in coordinating its approach to the October 4 USTR hearing. BGMEA's President, Parvez Anwar-Ul-Alam Chowdhury conceded that not all the manufacturers are good managers; he noted that some worker complaints against bad employers are likely legitimate. He said that many of the factories with labor problems have other business problems as well. He stressed however that the majority of garment businesses are in compliance with the majority of labor regulations, especially in the EPZs. He said he hopes the industry will not be punished for the misdeeds of a few bad actors. He emphasized that BGMEA is actively involved in promoting labor rights and education, including playing a role in negotiating a conclusion to recent labor unrest. (Ref A) Manufacturing representatives have attended and continue to attend meetings with NGOs to discuss labor issues, but the industry representatives complain that NGOs refuse to acknowledge examples of progress achieved during the meetings.

COMMENT
=====

¶ 10. (C) Consideration of the GSP petition occurs at a sensitive moment in Bangladesh's fluid political environment of Emergency Rule under a caretaker government. The USG is pressing for a full lifting of the current limitations on political activities) proscriptions which directly impede labor organizing efforts. In the current political environment, some labor leaders and groups claim their efforts are hampered by a climate of intimidation and warnings against labor groups originating from Bangladesh's security forces and other political figures in the caretaker regime.

¶11. (C) ACILS in Bangladesh has been successful in its efforts dedicated to worker advocacy, establishing organized labor groups, and educating workers about their legal rights.

Drawing from a distinctly American approach to trade-unionism, the impact of ACILS is perceived by some manufacturers and government agencies as contributing to a confrontational mode of labor relations. ACILS's objectives would benefit from improved relations and credibility with government and manufacturer stakeholders. More generally, a challenge for working on labor issues in Bangladesh is the large number of labor groups with different agendas. Some labor groups are independent and accountable to their membership, others are connected with criminal elements, political parties, or are entirely co-opted by manufacturers (Ref B).

DHAKA 00001604 004 OF 004

¶12. (C) Bangladesh's labor stakeholders are focused on the GSP issue with earnestness and seriousness. Although suspension of GSP would affect only a tiny percentage of Bangladesh's exports to the United States, the larger issue is Bangladesh's image. The industry can point to areas in which labor rights and conditions have steadily and consistently been improving. On the other hand, labor groups can also document continuing abuses by bad employers and a lack of action by both the government and industry to advance the cause of labor rights. The Caretaker Government can be faulted for not placing a high enough priority on labor issues among the major governance and institutional development efforts it is undertaking, but there is no indication that the GOB does not support the principles of labor rights. By placing labor rights in terms of the broader U.S.-Bangladesh trade relationship, the GSP review process can help motivate Bangladesh to reenergize its efforts on labor issues. At present, representatives of labor, government and industry are focused on strategic communications to advance their agendas at the USTR hearing. In Bangladesh, if the stakeholders speak at all, they continue to speak at and past each other, eschewing the substantive dialogue needed for progress.

Pasi